

THULAMELA MUNICIPALITY



RISK MANAGEMENT COMMITTEE CHARTER 2025/2026

TABLE OF CONTENTS

1.	MANDATE AND PURPOSE	3
2.	OBJECTIVES	3
3.	COMPOSITION	3
4.	AUTHORITY	4
5.	ROLES AND RESPONSIBILITIES	5
6.	MEETINGS	6
7.	CONFLICT OF INTEREST	6
8.	REMUNERATION FOR SERVING IN THE RISK MANAGEMENT COMMITTEE	6
9.	ADMINISTRATIVE DUTIES	6
10.	QUORUM	7
11.	PERFORMANCE EVALUATION	7
12.	REVIEW OF THE CHARTER	7
13.	APPROVAL OF THE CHARTER	7

1. MANDATE AND PURPOSE

Thulamela Municipality has established a risk management unit in accordance with section 62 (1) (c) of the Municipal Finance Management Act (MFMA) which requires that the Accounting Officer of the Municipality ensures that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control."

Thulamela Municipality took a decision to appoint a Risk Management Committee (RMC) in terms of section 17 of the Thulamela Risk Management Policy which states that in performing his / her duties the Chief Risk Officer should have unrestricted access to the Risk Management Committee.

The purpose of this Charter is to set out the nature, role, purpose, responsibility, and authority of the Risk Management Committee.

The Risk Management Committee (Committee) has been established by the Thulamela Municipality to assist the Accounting Officer to fulfil his / her risk management and control responsibilities in accordance with prescribed legislation and corporate governance principles.

2. OBJECTIVES

The Committee is hereby appointed by the Accounting Officer to assist him / her to discharge their responsibilities for risk management.

The primary objective of the Committee is to assist the Accounting Officer in discharging his / her accountability for risk management by reviewing the effectiveness of the municipality's risk management systems, practices and procedures, and providing recommendations for improvement.

The Committee's role is to review the risk management progress and maturity of the municipality, the effectiveness of risk management activities, the key risks facing the municipality, and the responses to address these key risks. The responsibilities of the Risk Management Committee are formally defined in this charter.

3. COMPOSITION

Permanent members of the Committee shall be formally appointed by the Accounting Officer. The members, as a collective, shall possess the blend of skills, expertise, and knowledge of the municipality, including familiarity with the concepts, principles and practice of risk management, such that they can contribute meaningfully to the advancement of risk management within the municipality.

Membership shall comprise of the following:

- An independent chairperson not in the employ of the municipality;
- All Senior Managers; and
- Chief Risk Officer (CRO) / Risk Officer (RO).

Standing invitees to the Committee shall be:

- Risk Management champions;
- Manager: Information Technology;
- Manager: PMS
- Manager: Legal Services
- Manager: PMU
- Chairperson of the ICT committee (when required);
- Chief Audit Executive (CAE),
- Any other person who may be co-opted to provide specialist skills, advice, and counsel.

4. AUTHORITY

The Accounting Officer shall appoint an independent Chairperson for the Committee.

The Committee shall have the requisite authority to request other management staff to appear before it to account for their delegated responsibilities in respect of risk management.

For the purposes of the functioning of the Committee, in the event that the members of the Committee are of a more junior rank than the Management that they request to appear before them, the traditional rank hierarchy in the municipality shall not apply. This implies that in the context of the functioning of the Committee, the Committee members will enjoy greater powers than management although the members themselves may be of a lower status.

In performing its function the Risk Management Committee:

- Shall have access to the financial records and other relevant information of the municipality;
- Shall liaise with the risk management unit and internal audit unit of the municipality and any person designated by the Auditor General to audit the financial statements of the municipality;

- Has the authority to seek any information it requires from employees and external parties or stakeholders of the municipality;
- Shall request any relevant person to attend any of its meetings, and if necessary, to provide information requested by the committee and;
- Shall investigate any matter it deems necessary for the performance of its duties and the exercise of its powers; and
- Shall obtain outside legal or other independent professional advice and to secure the attendance of outside professionals if deemed necessary in consultation with the Accounting Officer.

5. ROLES AND RESPONSIBILITIES

The duties of the Committee shall be to:

- Review the risk management policy and strategy and recommend for approval by the Council;
- Review the risk appetite and tolerance and recommend for approval by the Council;
- Review the institution's risk identification and assessment methodologies to obtain reasonable assurance of the completeness and accuracy of the risk registers;
- Evaluate the effectiveness of mitigating strategies to address the material risks of the Institution;
- Report to the Accounting Officer any material changes to the risk profile of the municipality;
- Review the fraud prevention strategy and recommend for approval by the Accounting Officer;
- Evaluate the effectiveness of the implementation of the fraud prevention strategy;
- Review any material findings and recommendations by assurance providers on the system of risk management and monitor that appropriate action is instituted to address the identified weaknesses;
- Develop goals, objectives and key performance indicators for the Committee for approval by the Accounting Officer;
- Develop goals, objectives and key performance indicators to measure the effectiveness of the risk management unit;

- Set out the nature, role, responsibility and authority of the risk management function within the municipality for approval by the Accounting Officer, and oversee the performance of the risk management function;
- Provide proper and timely reports to the Accounting Officer on the state of risk management, together with aspects requiring improvement accompanied by the Committee's recommendations to address such issues;
- Review the Business Continuity Planning (BCP) of the municipality to avoid disruption of key business activities;
- Review the appropriateness of combined assurance model to ensure balance of appropriate use of internal and external assurance providers; and
- Submit quarterly reports to the Accounting Officer and the Audit and Performance Committee that will outline the work performed by the committee in a specific quarter and must consider the responsibilities outlined in this risk management committee charter.

6. MEETINGS

The Committee shall meet at least four times per annum. The Chairperson of the Committee or most of the permanent members of the Committee may convene additional meetings as circumstances may dictate. All meetings will be convened before the Audit Committee sittings, for purposes of reporting, and in line with the approved schedule of Risk Management Committee meetings which will be included in the institutional corporate calendar.

7. CONFLICT OF INTEREST

Each member shall declare his/her interests by indicating their interests on the attendance register before the commencement of each Risk Management Committee meeting.

8. REMUNERATION FOR THE CHAIRPERSON SERVING IN THE RISK MANAGEMENT COMMITTEE

The chairperson will be remunerated in line with Auditor General of South Africa approved rates at a rate of a specialist or partner. The remuneration will be for five (5) hours for each meeting irrespective of the duration of the meeting and it will cover for preparation for the meeting (1 hour), attendance of meeting (3 hours) and preparation of report (1 hour).

Chairperson will further be reimbursed an amount of R149.00 per meeting for data to enable them to participate in virtual meetings. Where face to face meeting is held, the chairperson will be re-imbursed in line with the Thulamela S&T policy.

9. ADMINISTRATIVE DUTIES

The Chief Risk Officer, or such person as appointed by the Committee, shall be the secretary of the Committee. The secretary shall forward the notice of each meeting of the Committee to all members no later than 7 calendar days prior to the date of the meeting. The notice shall confirm the venue, time, date, and agenda and include the documents for discussion in the meeting.

The minutes of the meetings shall be completed by the secretary and sent to all relevant officials for comment within seven working days after the meeting. The minutes shall be approved at the following meeting, whereupon the approved minutes will be circulated to all attendees within three working days.

10. QUORUM

50% plus one of members of the committee constitutes a quorum. A permanent member of the committee may nominate a proxy on his / her behalf. This proviso shall lapse if the permanent member fails to attend 50% or more of the Committee meetings held in that particular financial year in person.

11. PERFORMANCE EVALUATION

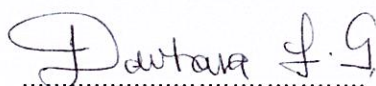
The Committee will annually undertake self-assessment on its performance. The assessment will include training needs for each Committee member.

12. REVIEW OF THE CHARTER

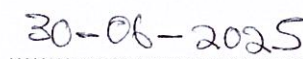
The Committee will annually review its Charter to ensure that it remains relevant with the Committee's purpose, authority, objectives, and responsibilities. All changes or amendments to the Charter will be discussed by the Committee and approved by Accounting Officer.

13. APPROVAL OF THE CHARTER

REVIEWED FOR AND ON BEHALF OF THE RISK MANAGEMENT COMMITTEE BY THE CHIEF RISK OFFICER

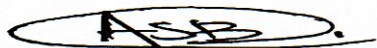


DAVHANA LG
CHIEF RISK OFFICER



DATE

**RECOMMENDED FOR APPROVAL BY THE RISK MANAGEMENT COMMITTEE
CHAIRPERSON**



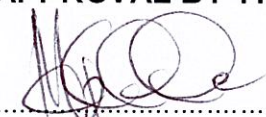
30-06-2025

NGOBENI SAB

DATE

CHAIRPERSON: RISK MANAGEMENT COMMITTEE

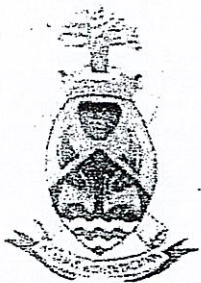
APPROVAL BY THE ACCOUNTING OFFICER



30-06-2025

**MATSHIVHA MM
ACTING MUNICIPAL MANAGER**

DATE



Private Bag X5066
Thohoyandou
0952
Limpopo Province
Tel: 015 962 7500
Fax: 015 962 4020

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**EXTRACT RESOLUTION OF THULAMELA
MUNICIPALITY SPECIAL COUNCIL MEETING NO.
07/2025 HELD ON THE 30TH OF JUNE 2025.**

RESOLUTION NO. SC 07/06/2025

**SUBMISSION OF THE RISK MANAGEMENT RELATED
POLICIES FOR 2025/26 FINANCIAL YEAR.**

Council resolved:

- a) To approve the Risk Management related policies for 2025/26 financial year and,
- b) To note risk management related strategies and plans for 2025/26 financial year.


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**CHAIRPERSON OF COUNCIL
30 JUNE 2025**

